



# Commonwealth of Massachusetts Department of Early Education and Care

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## Meeting of the Board

*June 8, 2021*



# Agenda

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1. FY22 Meeting Dates and Vote
2. Department Updates
  - Current State of Child Care
  - Operational Grants
  - COVID-19 Recovery
3. Strategic Plan Progress and Plans
  - Strategic Plan Year 1 Overview
  - CCDF Overview and Vote
  - Parent Fee Update and Vote
4. Commissioner's Progress Report and Goal Setting for FY22
  - Commissioner's Salary Vote
5. Budget and Finance Updates
  - Caseload Summary
  - Future Funding Priorities
  - ARPA Stabilization Funding Formula



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## FY22 Meeting Dates

### Executive Summary:

As this is the last board meeting of FY21, EEC needs to set board meeting dates for FY22.

**Decision Needed:** Vote on FY22 Meeting Dates

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## FY22 Meeting Dates and Vote



## Vote on FY22 Meeting Dates

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**For state fiscal year 2022, the Board proposes the following meeting schedule:**

- September 14, 2021 (1:00PM-4:00PM)
- October 12, 2021 (1:00PM-4:00PM)
- November 9, 2021 (1:00PM-4:00PM)
- December 14, 2021 (1:00PM-4:00PM)
- January 11, 2022 (1:00PM-4:00PM)
- February 8, 2022 (1:00PM-4:00PM)
- March 8, 2022 (1:00PM-4:00PM)
- April 12, 2022 (1:00PM-4:00PM)
- May 10, 2022 (1:00PM-4:00PM)
- June 14, 2022 (1:00PM-4:00PM)

**Vote:** That the Board of Early Education and Care, in accordance with M.G.L. c. 15D, § 3(b), shall meet in accordance with the schedule set forth above, and that all meetings will begin at 1:00 p.m. and will be held at 50 Milk Street, 14<sup>th</sup> Floor, Boston MA, unless otherwise announced and duly posted.

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## Department Updates

## Department Updates

### Executive Summary:

- Roughly 88% of pre-COVID center-based and family child care programs have re-opened
- EEC has implemented a multi-pronged strategy to continue to support programs through this time:
  - Operational grants offered through FY21 state appropriation have provided funding targeted to workforce compensation
  - EEC plans to continue to promote flexibility with subsidy, licensing and workforce policies

# Current State of Child Care



## Child Care Re-Opening Trends (Family Child Care & Group/School Age)

Region and Type	# programs pre-COVID	# programs open June 6	% Returned
1 – Western FCC	873	716	82%
1 – Western GSA	394	320	81%
2 – Central FCC	1157	1003	87%
2 – Central GSA	522	476	91%
3 – Northeast FCC	1296	1108	85%
3 – Northeast GSA	675	635	94%
5 – Southeast & Cape FCC	938	800	85%
5 – Southeast & Cape GSA	614	591	96%
6 – Metro Boston FCC	1066	956	90%
6 – Metro Boston GSA	687	610	89%

## Capacity Updates

**209,102 licensed capacity slots** are now estimated to be available based on current LEAD data, representing **90% of EEC licensed capacity pre-COVID** (as of June 6, 2021)

## Economic and Employment Trends



In surveying of MA employers, over 70% are concerned about sustaining their female workforce



State's ability to address its child care crisis is a predictor of women's labor force return



Women's labor force participation is a key driver for economic growth

## Operational Strains for Providers

- Many providers can't operate at full capacity due to staffing shortages
- Family Child Care losing ~\$600 average per month (Dec '20)
- Center Based losing ~\$6,000 average per month (Dec '20)
- Of all potential priorities for operational spending, programs cited increases to educator wages and income as highest (March '21)

### Who is the Child Care Workforce?

*Bipartisan Policy Center Feb 2021*

- 92% female
- 41% people of color
- 47% more than HS degree



# FY21 Operational Grants to Support Providers



**EEC is investing \$30M in state funding** to address compensation for the workforce who provided in-person education and supports throughout the pandemic to date.

## **Center-Based Workforce Grants**

- **Eligibility:** Center-based providers who served at least one subsidized child since 7/1/18 (1,378 or ~50%)
- Funds distributed based on capacity
  - \$150 \* licensed capacity; \$30 per remote learner bonus if open for remote learning supports
  - 90% of funds must be used to support compensation for staff directly serving children

## **Family Child Care Facilities Grants**

- **Eligibility:** All Family Child Care providers (5,500)
- Flat grant per provider
  - \$3,000/home; \$150 bonus if open for remote learning support
  - Funds to address health and safety program investments or quality enhancements; can reimburse themselves for improvements already made or invest in new enhancements

# FY21 Operational Grants to Support Providers



*EEC extended the deadline for the Center-Based Workforce and Family Child Care Facilities grants to June 11, 2021, to ensure as many eligible providers as possible can take advantage of this opportunity.*

EEC has been working in coordination with PCG to provide technical support to providers:

**PCG Technical Support:**

Total email responses: 3,667

Total phone calls: 2,768 (796 Spanish, 22 Portuguese)

Total voicemails: 1,372 (419 Spanish, 5 Portuguese)

EEC is continuing to take feedback from the field on this process and will assess improvements to ongoing support as we plan for future grants.

## Center-Based Workforce

## Family Child Care Facilities

**Approved**

594

2,556

**In Progress**

522

1,009

**Grand Total**

1,116 (80% of eligible)

3,565 (65% of eligible)

# COVID-19 Recovery Updates & Policy Proposals



On May 29, 2021, EEC rescinded its COVID-19 specific requirements to eliminate any COVID-19 specific health and safety restrictions on programs. **EEC proposes to maintain the following flexibilities to support program operations and family access in the months ahead.**

	Updates & Context	Policy Proposal
<b>Subsidies</b>	<ul style="list-style-type: none"> <li>• EEC is projecting up to ~\$120M surplus in the caseload account due to fluctuations in enrollment.</li> <li>• Surplus funding will be transferred to an operational reserve account to support FY22 operational supports.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to make subsidy payments based on enrollment rather than attendance</li> <li>• Continue to offer 6-month provisional authorizations for families without employment requirements</li> <li>• Continue to allow providers to discount tuition prices as needed</li> </ul>
<b>Licensing</b>	<ul style="list-style-type: none"> <li>• EEC implemented many expedited processes during COVID that have streamlined regulatory and bureaucratic requirements for small child care businesses.</li> <li>• EEC is working on a revised set of licensing regulations that are expected to be ready for review this summer, integrating learnings from COVID.</li> </ul>	<ul style="list-style-type: none"> <li>• Return to monitoring cycle and in-person monitoring visits after July 2, 2021, in consultation with SEIU</li> <li>• Maintain expedited procedures for renewing, modifying or applying for new child care licensure</li> <li>• Continue to defer licensing fees through FY22 (approx. \$900k/year collected from child care licensing fees)</li> <li>• Waive enforcement of some health and safety requirements as recovery evolves (e.g. requiring providers to brush children’s teeth)</li> </ul>
<b>Workforce</b>	<ul style="list-style-type: none"> <li>• Despite relaxed workforce requirements during COVID, workforce shortages account for the biggest constraint on capacity during recovery.</li> </ul>	<ul style="list-style-type: none"> <li>• Waive enforcement of specific regulations related to educator requirements (and disseminate guidance through policy) to minimize barriers for participation in the EEC workforce (e.g. specific staff qualifications and coursework requirements)</li> </ul>

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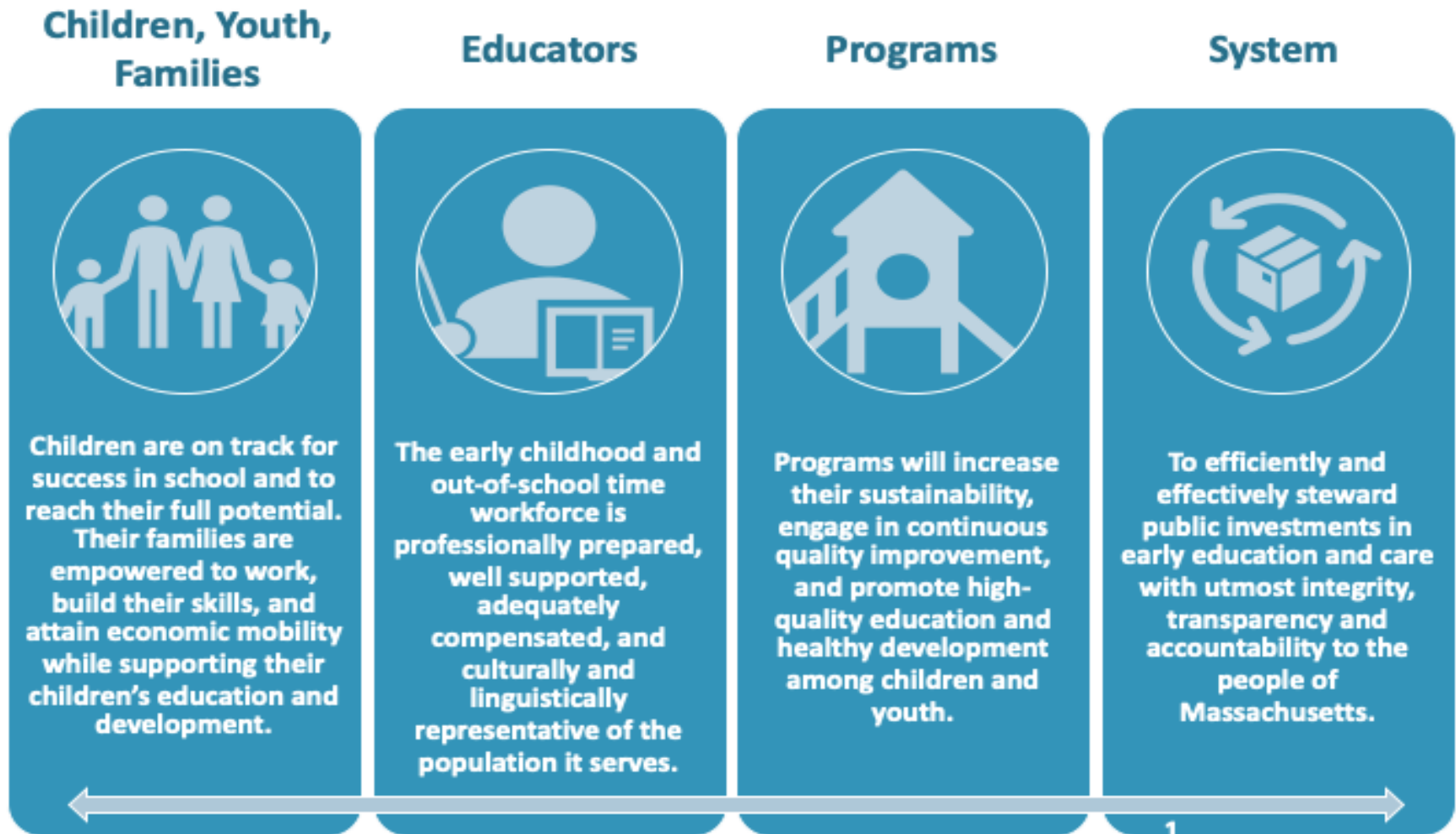
## Strategic Plan Progress and Plans

## Strategic Plan Progress and Updates

### Executive Summary:

- Despite challenges brought on by the COVID-19 pandemic and recovery, EEC has made steady progress in its Strategic Action Plan goals throughout FY21.
- EEC will continue to use multiple mechanisms to enact change across the strategic plan in FY22
- EEC's Child Care Development Fund (CCDF) Plan for 2021-2024 represents changes EEC has implemented over the past few years and is firmly rooted in Strategic Action Plan goals and principles.
- The CCDF plan is a living document that EEC will update as its key initiatives progress and develop.
- The planned Parent Fee chart changes are codified in our CCDF plan and are integral to our focus on increasing access for families.
- **Decisions Needed:**
- Board vote on CCDF plan, pending final version updated based on full public comment analysis
- Board vote on Parent Fee Chart

# Goals Hold Steady through Pandemic and Recovery



**EEC engaged with over 7,000 voices through strategic plan re-launch and engagement**

# Strategic Plan Highlights

## Cross-Pillar Achievement Highlights from the Past Year

- ✓ **Built innovation in the subsidy system** to support access for families and stability for providers
- ✓ **Provided support for summer learning grants** to expand school readiness strategies during pandemic recovery
- ✓ **Launched key workforce improvements**, including credentialing system, Professional Registry system, and new Background Record Check regulations and policies
- ✓ **Sustained 88% of programs throughout the pandemic** by providing funding flexibility and technical support
- ✓ **Designed and launched workforce and operational funding strategies** to rebuild capacity and increase quality across the field
- ✓ **Began cross-sector collaboration to examine intersecting issues across child care, business, and workforce domains**



EEC will use **multiple mechanisms to enact change across each strategic plan pillar** in FY22, including rebidding contracts, collecting and analyzing new data, and **leveraging public-private partnerships.**



# Initial Engagement on Solutions for Child Care

*EEC has performed exploratory conversations with many stakeholders across secretariats and industries to understand short and long-term opportunities for innovation in child care.*

## **Exploratory Conversations to Date:**

- Cross-Secretariat planning meetings with EOLWD and EOHEd
- Pilot development discussion with Commonwealth Corporation and MassHire Board Members
- Engagement with House and Senate Leadership, Education Chairs, key legislators, Legislative Leadership, and the Economic Review Commission
- Live feedback sessions with small business owners and multi-state child care interest groups
- Strategic engagement with emerging Early Childhood Business Coalition (funded by Eastern Bank)

## **Immediate Need for Workforce Pilots**

- Work to address specific barriers for individuals to enter the child care workforce through regulatory waivers and targeted investments
- Partner with Commonwealth Corporation to identify key recruitment strategies to be piloted through the summer

## **Additional Exploration with the Business Community**

- Partner with the Early Childhood Business Coalition and Commonwealth Corporation to develop a business engagement strategy for summer, 2021 focused on:
  - Innovative models for child care
  - Women and people of color in the workforce through the recovery



# EEC's Workforce Strategy

*Workforce constraints are the number one limitation EEC faces in maintaining and expanding child care. This challenge requires a multi-faceted approach, and EEC is working with multiple public and private partners to invest in a diverse set of workforce strategies.*

EEC Investments and Partnerships:

EEC Educator Credential is intended to establish clear career pathways for the workforce.

EEC Investments and Partnerships:

Business cohorts for child care business owners, including coaching



EEC Investments and Partnerships:

Career Pathways grants, scholarships, and cohorts for coursework

EEC Investments and Partnerships:

Workforce and Stabilization Grants designed to target investment in educator compensation

**In order to fully leverage these investments, a coordinated industry-wide recruitment efforts will be critical. EEC is currently working with Commonwealth Corporation to identify public-private recruitment strategies to pilot this summer and inform investments during FY22.**

# Proposed Plan for Business and Legislative Engagement



EEC has a comprehensive engagement plan to develop pilots and innovations with the business community, legislature, and all other key stakeholders. This engagement will culminate in a plan for innovation in child care.



<b>Legislative Engagement</b>	<ul style="list-style-type: none"> <li>• <b>Regional, caucus, and individual legislative meetings on child care planning</b></li> </ul>	<ul style="list-style-type: none"> <li>• Status Update – impact of federal dollars based on initial data from the formula launch</li> </ul>	<ul style="list-style-type: none"> <li>• Preview and release innovation in child care plans</li> <li>• Respond to recs. from Economic. Review Commission</li> </ul>
<b>Business Engagement</b>	<ul style="list-style-type: none"> <li>• <b>Launch business advisory group with leaders to guide efforts</b></li> <li>• Cross-sector employer webinars</li> <li>• Chambers of Commerce, MA Business Round Table</li> </ul>	<ul style="list-style-type: none"> <li>• Pressure test Child Care Innovation Models</li> </ul>	<ul style="list-style-type: none"> <li>• Pair business and innovation models</li> </ul>
<b>Data &amp; Comms</b>	<ul style="list-style-type: none"> <li>• Refined analysis &amp; caseload forecasting</li> <li>• Gather data on industry capacity and enrollment from the C3 Formula Grants</li> </ul>	<ul style="list-style-type: none"> <li>• Bipartisan Policy Center family demand data</li> <li>• Improved analysis of industry employer data</li> </ul>	<ul style="list-style-type: none"> <li>• Begin to evaluate pilot efforts</li> <li>• Grant impact analysis fuels future approaches</li> </ul>

# CCDF Plan Overview

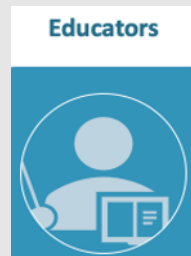


- In order to receive CCDF funds, Federal law requires all States to submit a State Plan every three years to summarize its child care programs and certify its compliance with CCDBG requirements.
- **The CCDF plan must capture current state compliance, and EEC will update it formally through amendments as EEC operations evolve in line with the Strategic Plan.**
- **The engagement EEC facilitated** through its Strategic Action Plan Engagement Portal **has driven the development of this plan**, and ongoing engagement will continue to drive further development.

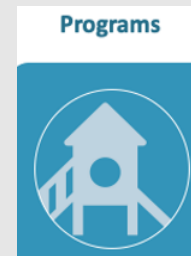
## CCDF Highlights by Strategic Plan Pillar



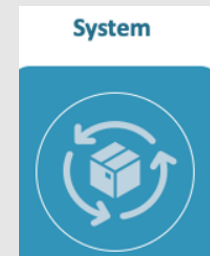
- New parent fee chart
- Efforts to achieve affordability and access for families from low-income households, including subsidy policies EEC implemented during the COVID-19 emergency



- Credentialing Framework
- Career Pathways and the process EEC is undergoing to develop a robust professional road map
- EEC's streamlined background record check processes



- Business support for programs
- Outlines mental and behavioral health supports
- Early Childhood Support Organization (ECSO) Initiative piloting targeted instructional leadership coaching



- QRIS redesign
- Assess Market Rates and Cost of Child Care

# CCDF Plan: Engagement Summary and Vote



- EEC held two (2) virtual public engagement sessions on June 2, 2021 to elicit feedback on the CCDF State Plan. There were 149 registrants across the two sessions, with 60 active participants.
- Response was largely positive, particularly in response to the new parent fee scale and COVID-19 changes to subsidy policy.

*Another opportunity for MA to lead the country!*

*My fervent hope is that these changes will help us rebuild our field better, stronger, more stable and sustainable.*

**Vote:** The Department recommends that the Board, subject to revision by the Commissioner, approves the Department's process to finalize the Commonwealth's CCDF State Plan for federal fiscal years 2022-2024, and authorizes the Department to submit the finalized CCDF State Plan to the Administration for Children and Families on or before June 30, 2021 on its behalf.

# Summary of Parent Fee Model Proposed



## Key Features of New Parent Fee Scale

- Fee scale only considers income that is above the poverty threshold.
- Model expects co-pays to begin when family incomes exceed 100% of the poverty level.
- The model uses a parent co-pay schedule in which 28 equally sized income ranges have been developed spanning from those at and under 100% of poverty to incomes at 85% of State Median Income (maximum allowed by federal regulations).
  - Co-pay requirements in each row are based on assigned percentages of a family's income, charged on income over the poverty threshold only, by family size.
  - Assigned percentages range from a low of 4% for row 2 (families just above the poverty threshold) to a high of 15.6% on income for row 28 (those just under 85% of SMI) for the first child (youngest child).
  - These percentage rates yield expected co-payments that equal <0.01% to 12% of a family's full income, once the income under poverty has been subtracted.
  - Sibling discounts are applied at 50% for the second child and 25% for all additional children.

## Summary of Results of Proposed Fee Scale:

- 99% of families pay a fee that is lower or the same
- 98% of families pay a fee that is 7% of income or less
- Average fee for all fee-paying families is 2.4% of income

## Vote on the Revised Parent Fee Scale

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- EEC hosted public sessions on March 8, 2021 and March 31, 2021, to solicit feedback following the Board’s vote to approve the new parent fee scale on February 9, 2021.
- Comments from these sessions indicated:
  - Widespread support for no longer counting income below the poverty level, and for reductions in cliff effects as a family’s income increases.
  - Considerations around the subsidy application process and payment policies that EEC will take under advisement as it develops its implementation plan.
- Now that the public comment period has ended, the Department is requesting that the Board permanently establish the revised scale. With this vote, EEC will move toward final implementation planning.

**Vote:** That the Board of Early Education and Care, in accordance with M.G.L. c. 15D, § 2 and Chapter 73 of Chapter 227 of the Acts of 2020 hereby approves the Commissioner to permanently establish and implement the proposed Revised Parent Fee Scale.

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## Commissioner's Progress Report and Goal Setting for FY22

## Commissioner's Progress Report and Goal-Setting for FY22

### Executive Summary:

- In the last Commissioner Evaluation, the board highlighted growth in hiring to expand the executive bench for the Commissioner as a key goal for the future; a renovated organizational chart reflects consolidation and elevation in senior role
  - Staff growth will likely continue to be a leading priority for agency sustainability and health under the Commissioner's leadership
  - Increases in funding related to pandemic recovery have more than doubled the Department budget YOY and introduced new complexity to administer pioneering financing approaches
  - Progress implementing the strategic plan has reached a threshold where enhanced data capacity, program quality support, and program innovation capabilities are required
- With successful execution of the staffing plan, EEC will be poised to also fulfill its goals for FY22 and administer significantly increased public dollars with effectiveness, efficiency, and integrity

**Decision Needed:** Board vote on Commissioner Salary



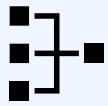
# Looking Ahead: New Functions Required in FY22



**Data Capacity:** leading data collection, analysis, and modeling to forecast caseload; advance program quality; understand, support, and build the workforce



**Data-Driven Strategy to Support Families and Communities:** using increased data capacity to create data-driven subsidy policies and processes, tailoring supply to meet demand



**Increased Infrastructure:** new and enhanced infrastructure to administer significantly increased funds to programs, including a funding mechanism for programs outside the subsidy system, accountability structure for operational funding/ support; support increased collaboration at the community level



**Cost Modeling:** increased capabilities for identifying economic drivers in the market, modeling the impact of grants, and establishing longer term financing solutions

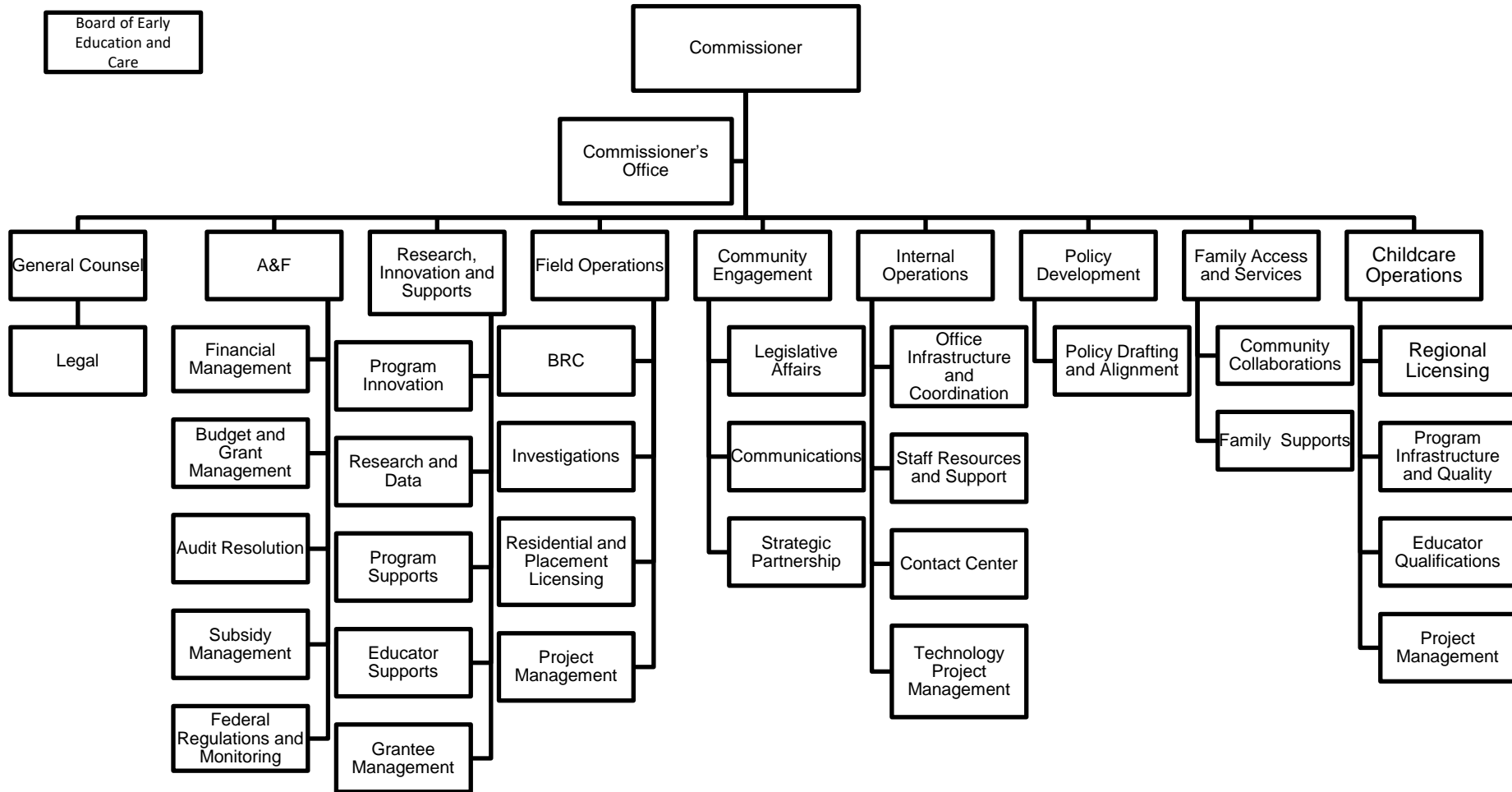


**Innovation Arm:** designing and advancing innovation program design and implementation



**Program Quality and Educator Supports:** managing routines and structures that can integrate a system of continuous quality supports with existing monitoring, funding, and verification systems; establish a new educator registry and align educator supports around a unified credentialing system

# EEC Organizational Future State





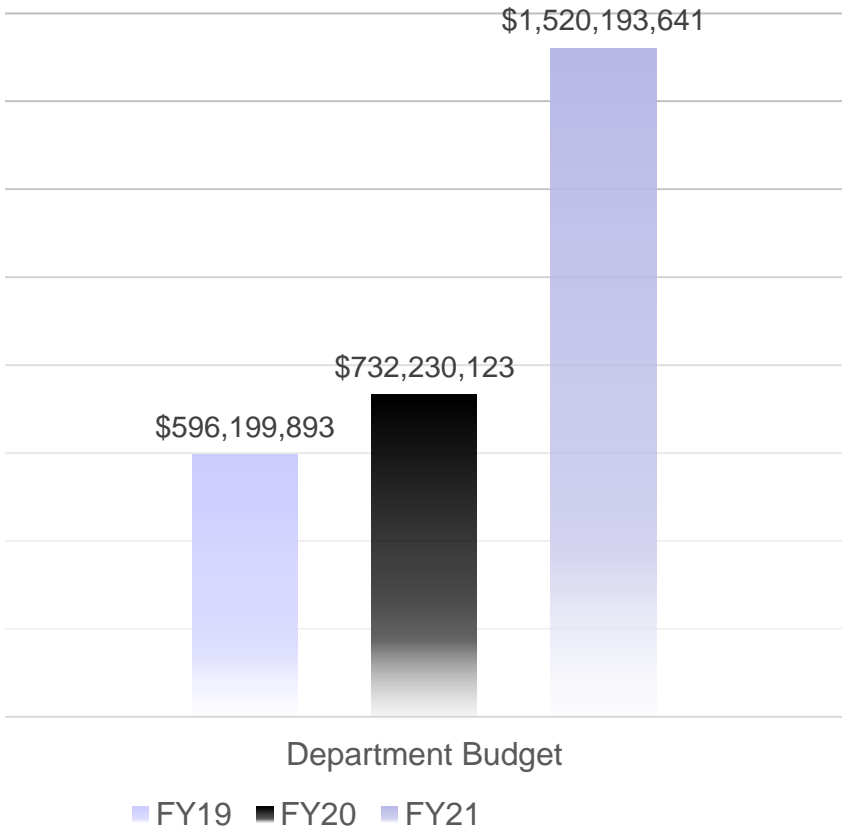
# Looking Ahead: An Evolving and Growing Agency

### Work in FY22

- Distribute federal funding in ways that are unprecedented in size, structure, and intended recipients for funds
- Drive towards proof of concept on operational grants’ effectiveness towards industry stabilization, workforce recruitment, and increased quality
- Launch innovative pilots in child care and workforce recruitment to meet the changing needs of employers and working families and build capacity for children
- Implement key strategic plan priorities designed in FY21, including credentialing, a new approach to quality, and overhaul of regulatory structure and subsidy systems
- Reorganize department structure and build key functions to implement FY22 and FY23 priorities

\$1,600,000,000  
 \$1,400,000,000  
 \$1,200,000,000  
 \$1,000,000,000  
 \$800,000,000  
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### EEC BUDGET



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## Board Chair Comments

# Budget and Finance Updates

## Budget and Finance Updates

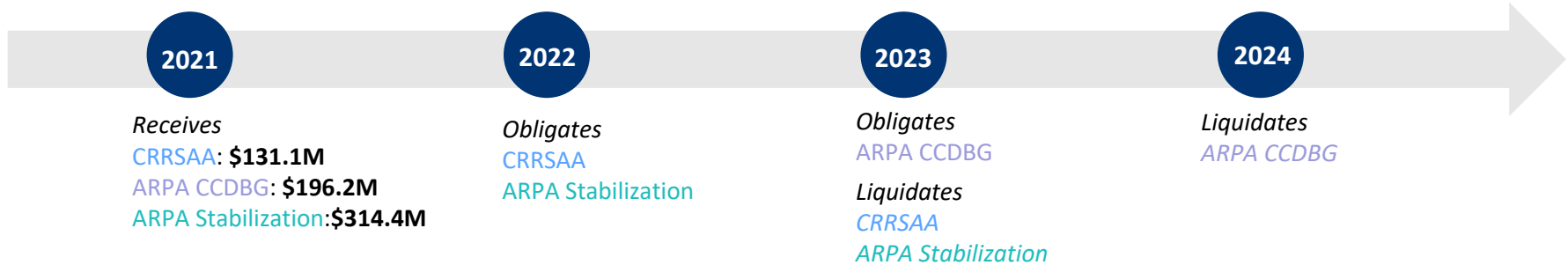
### Executive Summary:

- EEC has received multiple federal funding sources through CRRSAA and ARPA, each with specific funding restrictions and timelines:
  - CRRSAA CCDBG: \$131.1M in Child Care Development Block Grant
  - ARPA CCDBG: \$196.2M in Child Care Development Block Grant
  - ARPA Child Care Stabilization: \$314.4M in Child Care Stabilization Fund
- EEC is planning to distribute ARPA Child Care Stabilization funding through 6-month operational grants to providers, using the Commonwealth Cares for Children (C3) Funding Formula.
- EEC has been experiencing ~80% of typical subsidy enrollment. Enrollment in EEC tuition subsidies has continued to fluctuate throughout FY21, indicative of overall child care enrollment statewide.

# Federal Funding for Childcare



*EEC will continue to use federal funding to maximize support for providers, educators, children and families throughout FY22 and FY23.*



**ARPA Child Care Stabilization**

Distribute 6 months of direct grants to providers to support their operational capacity (see next slides for more information).

Key Requirements from Federal Legislation:

- 90% of funds must be distributed as direct grants to providers.
- Eligible child care providers are those that were licensed or approved as of 3/11/21

**CRRSAA**

Included in the Supplemental Budget Request; proposed spending considerations for FY22 may include:

- Provider supports
- System-level Workforce Investments
- Technology investments for future innovation flexibility

**ARPA CCDBG**

Pending recommendations of the Legislature's Economic Review Commission, EEC will develop a spending plan with priorities that may include:

- Provider supports
- System-level Workforce Investments
- Scaling business and innovation incentives for providers

*Our focus for today's discussion*



# 6-month ARPA Child Care Stabilization Grants

## Key ARPA Child Care Stabilization Requirements:

- States must distribute 90% of funding as direct grants to providers.
- States should obligate at least 50% of funding by December 2021.
- Eligible child care providers were licensed (either open or closed due to COVID-19) as of 3/11/21.

## Key Features of Grant Funding Proposal

- **At least \$225M and up to \$283M (90%) of total ARPA Child Care Stabilization funding**
- **Distributed in six monthly payments** beginning in July to support a percentage of operating costs, targeting ~10% of costs as a baseline
- Funding amounts determined **via simple formula accounting for capacity and staffing costs**
- Operates in addition to current state funding (**does not replace or alter existing subsidy system**)
- **Goes to all licensed programs**, based on capacity and adjusted to account for equity

## Guiding Principles

	Short Term	Long Term
<b>Stability</b>	Help programs continue to operate capacity	Maintain investments in quality to innovate from post-recovery
<b>Adequacy</b>	Support healthy finances to sustain operations despite enrollment fluctuations	Establish tracking of programs' investment in adequate compensation
<b>Equity</b>	Focus on bolstering capacity in vulnerable and minority communities; support minority owned businesses	Respond to unique needs of providers who serve children and families of color and low-income communities
<b>Simplicity</b>	Avoid creating heavy burden on providers	Collect information to target future investments



# Background: Commonwealth Care for Children (C3) Formula



- COVID has reinforced the necessity for improving business stability for child care and identifying a different financing model.
- **EEC has engaged Third Sector Capital Partners to build a formula methodology** that draws on existing work completed by EEC during strategic planning and develop an economic model to evaluate the impact of a capacity-based formula grant.
- EEC has hosted a series of engagement sessions and focus groups to inform C3 formula design:

## Key Feedback from Field

- The need for sufficient funds to ensure programs can continue operating is urgent
- The process for receiving funds needs to be clear, simple, and straightforward
- Program location alone cannot identify all programs enrolling underserved children and families



# Commonwealth Care for Children (C3) Formula

## Key Formula Components:

- **The goal of the payments is to cover a percentage of operating costs.** This would be adjusted for programs that have higher investments in staff and those serving vulnerable communities.
- All elements of the formula have been vetted to **evaluate the impact on equity, distribution across the Commonwealth, and funding for Gateway Cities**
- **Equity Adjustment** helps account for those serving vulnerable communities and children
- Formula **uses Social Vulnerability Index (SVI) as an indicator of community need**; allows for outliers where needed
- Funds to small business will be targeted by factoring in the relative compensation of the CEO compared to the educators
- Third Sector will test model to inform ongoing efforts and the recommendations of the Economic Review Commission

EQUATION = **BASE AMOUNT + Equity Adjustment**

*EEC is considering the feasibility of capping or otherwise reducing payments for programs with an unacceptably high level of CEO compensation relative to educator compensation*

### Base Amount

**Base Amount =**

(\$ starting \$ amount \* X

Licensed Capacity for GSA (or flat amount for FCC) - *not* enrollment X

Multiplier for Educator/ Licensed Capacity Ratio \* X

Adjusting the size of payments based on the # of educators  $\uparrow$  \$ for providers that:

- Serve younger kids
- Offer longer hours
- Offer higher quality care

### Equity Adjustment

**Equity Adjustment =**

**Level 1:** (Base Amount \* 25%) if...

- SVI  $\geq .55$  and  $< .75$  OR
- 33 - 66% of enrolled children receive subsidies

**Level 2:** (Base Amount \* 35%) if...

- SVI  $\geq .75$  OR
- $>66\%$  of enrolled children receive subsidies

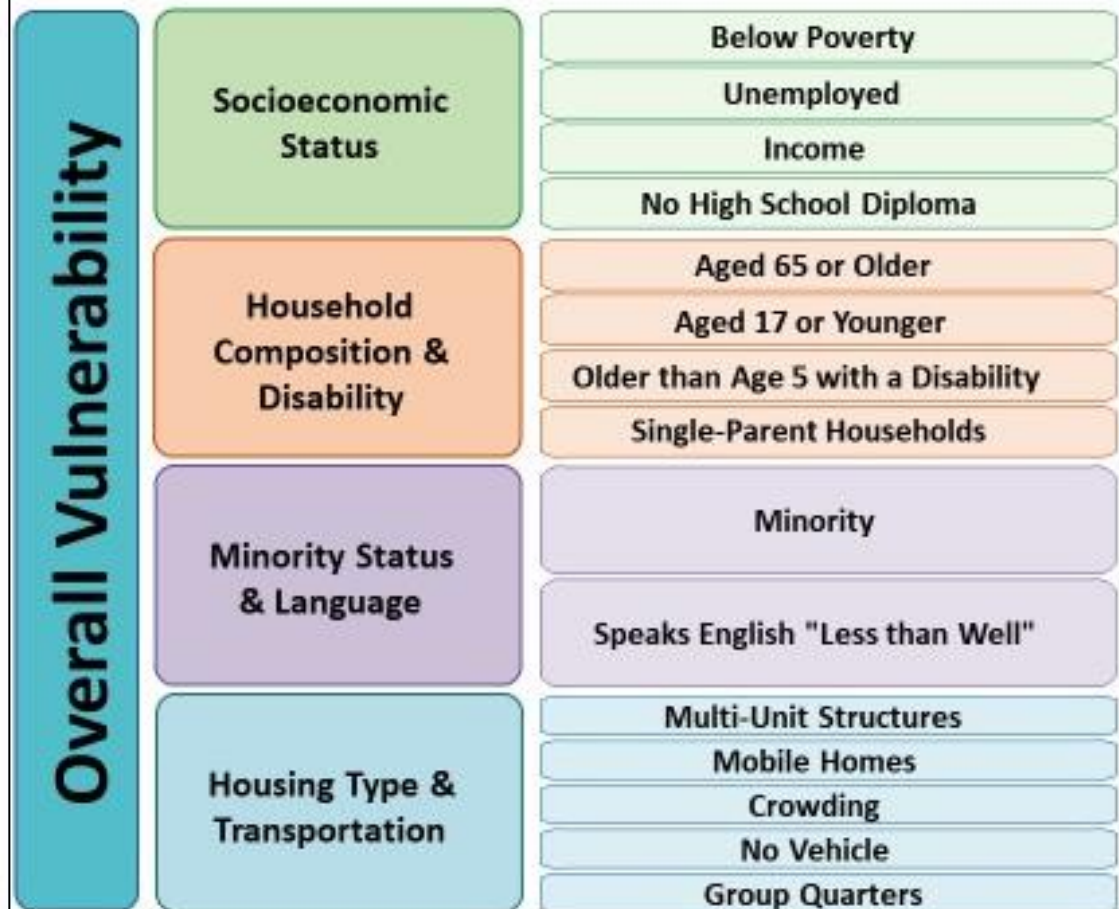
# What is the SVI?



## SVI Context

- SVI=The Social Vulnerability Index
- SVI is a comprehensive metric [developed by the CDC](#)
- SVI Scores are from 0 to 1 - relative to Massachusetts only
- Takes into account 15 variables at the census tract level
- In a perfect world - the formula could reflect actual enrollment - but the SVI is one way to make our best guess of who each provider is serving

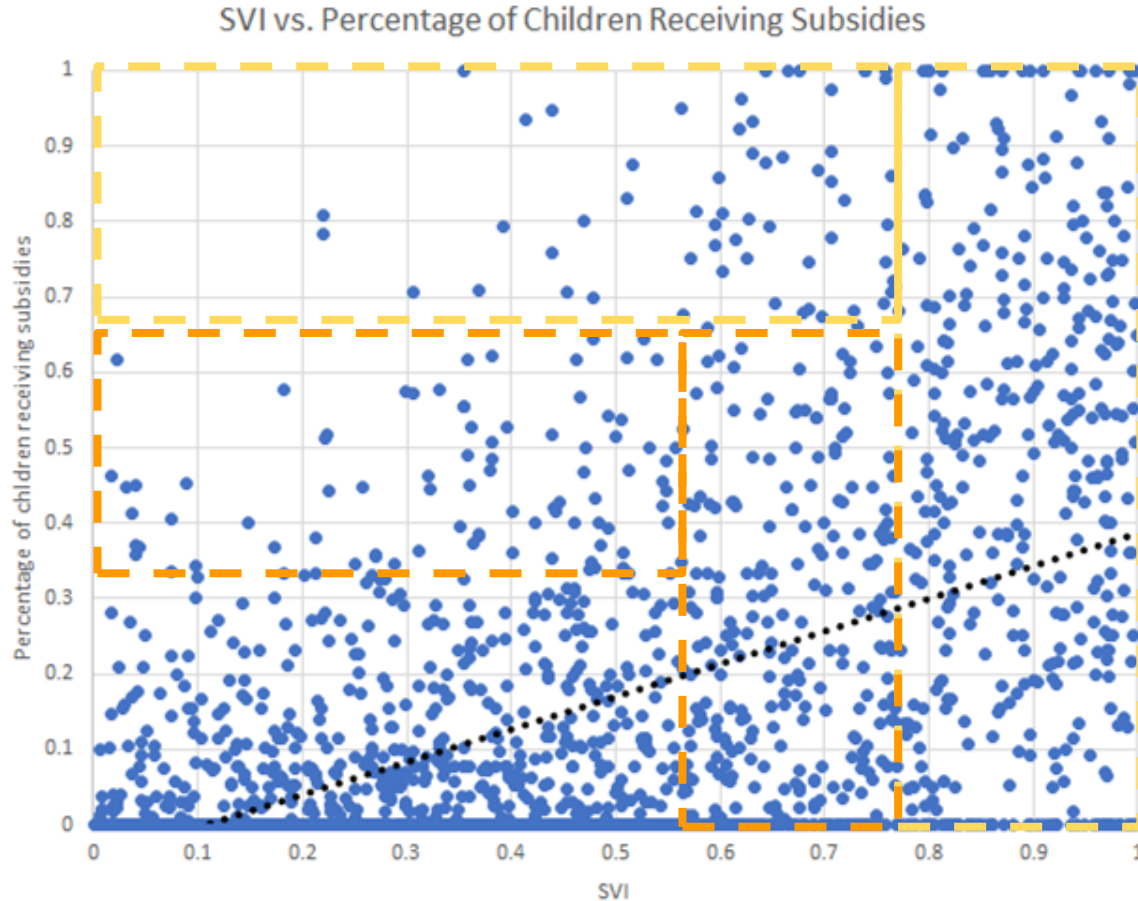
## SVI Variables



# Equity Adjustment Tiers



There are two tiers of the equity adjustment that will incorporate both the SVI level and percentage of children receiving subsidies



● Each Dot Represents a Center Based Program

## Level 1 Equity Adjustment

Receive 25% of base amount in additional funding if:

- SVI  $\geq .55$  and  $< .75$  OR
- 33 - 66% of enrolled children receive subsidies

## Level 2 Equity Adjustment

Receive 35% of base amount in additional funding if:

- SVI  $\geq .75$  OR
- $>66\%$  of enrolled children receive subsidies

# FY21 Caseload Overview



Jan 2019	Jun 2019	Jun 2020	Sep 2020	Feb 2021	March 2021	April 2021
55,156	↑ 58,738	↓ 55,212	↓ 47,082	↓ 43,398	↑ 44,287	↑ 44,627

- **Enrollment Trends:** EEC is experiencing ~80% of typical subsidy enrollment, with utilization varying across regions and age groups.
- **Cost Trends:** We are still seeing significant costs (daily rate) for school age children, and overall costs per child are continuing to increase. DTA and Supportive costs have also increased for the first time this month.

## Waitlist Data:

- Through the CCR&Rs, EEC has made a significant effort to release funding letters to families on the waitlist, with ~1,200 funding letters were released to families in the past month (~7,800 total funding letters sent in FY21).
- At the same time, 1,754 children were added to the waitlist in the last month.
- **EEC is continuing to investigate why families are opting not to enroll**—likely a combination of difficulty in navigating the subsidy system and lack of placements that meet their individual needs.

# Appendix

# FY21 Caseload Account Spending Update



<b>Number of Children Billed</b>											
	June Actuals	July Actuals	Aug Actuals	Sept Actuals	Oct Actuals	Nov Actuals	Dec Actuals	Jan Actuals	Feb Actuals	Mar Actuals	Apr Actuals
DCF Voucher	4,631	4,136	3,834	3,945	3,878	3,878	3,872	3,905	3,907	3,942	4,008
DCF Contract	7,449	7,401	6,750	6,754	6,384	6,179	6,055	6,009	5,899	5,976	5,978
DTA Voucher	11,577	10,425	9,503	9,290	8,727	8,294	7,782	7,328	6,978	7,008	7,024
IE Voucher	20,316	17,546	16,632	16,857	16,208	16,057	16,114	16,067	16,063	16,310	16,454
IE Contract	11,239	10,860	10,134	10,236	9,775	9,781	9,844	10,110	10,551	11,051	11,208
	<b>55,212</b>	<b>50,368</b>	<b>46,853</b>	<b>47,082</b>	<b>44,972</b>	<b>44,189</b>	<b>43,667</b>	<b>43,419</b>	<b>43,398</b>	<b>44,287</b>	<b>44,672</b>
<b>Actual Costs with Comparison to Last Year's Actual Costs</b>											
	June Actuals	July Actuals	Aug Actuals	Sept Actuals	Oct Actuals	Nov Actuals	Dec Actuals	Jan Actuals	Feb Actuals	Mar Actuals	Apr Actuals
3000-3060 Base Caseload	\$ 26,281,485	\$ 29,191,159	\$ 22,566,748	\$ 23,256,562	\$ 21,751,378	\$ 20,276,668	\$ 21,621,611	\$ 19,094,198	\$ 18,000,819	\$ 20,276,375	\$ 20,162,487
3000-4060 Base Caseload	\$ 24,055,581	\$ 25,141,886	\$ 20,264,410	\$ 20,052,420	\$ 19,917,815	\$ 19,197,258	\$ 21,167,582	\$ 19,509,808	\$ 19,210,390	\$ 22,804,635	\$ 22,049,997
Parent Fees	\$ 6,393,261	\$ 6,674,369	\$ 5,552,830	\$ 5,297,243	\$ 5,244,670	\$ 5,082,441	\$ 5,625,644	\$ 5,230,210	\$ 5,205,055	\$ 6,202,871	\$ 5,982,066
<b>Total:</b>	<b>\$ 56,730,327</b>	<b>\$ 61,007,414</b>	<b>\$ 48,383,988</b>	<b>\$ 48,606,224</b>	<b>\$ 46,913,863</b>	<b>\$ 44,556,368</b>	<b>\$ 48,414,837</b>	<b>\$ 43,834,216</b>	<b>\$ 42,416,264</b>	<b>\$ 49,283,881</b>	<b>\$ 48,194,550</b>
<b>FY2020 Actuals</b>		\$ 56,568,742	\$ 51,728,018	\$ 43,457,870	\$ 48,810,289	\$ 45,230,597	\$ 47,631,791	\$ 50,284,281	\$ 43,923,415	\$ 50,348,634	\$ 55,179,902
<b>Difference</b>		\$ 4,438,672	\$ (3,344,030)	\$ 5,148,354	\$ (1,896,426)	\$ (674,229)	\$ 783,046	\$ (6,450,066)	\$ (1,507,150)	\$ (1,064,753)	\$ (6,985,352)

## Notes:

- June and July billing numbers reflect families transitioning during reopening.
- Costs in all months have been adjusted to account for the implementation of the CBC Rate increase, including the retroactive payment back to July.
- Even with the reopening of in-person school, EEC continues to pay full time for school age children enrolled in, or who may need, full-day programming. This will continue to cause increased costs for the remainder of the fiscal year.
- School age children represent approximately 50% of the billed caseload

# FY21 Caseload Account Spending Update



- Since the start of September, the average daily rate paid across all program types has increased over 9% while the number of children in care has dropped by 6%.
- Compared to the same time period last year, EEC is continuing to experience significantly higher costs, with markedly lower caseload.
- It should be noted that April is typically a higher cost month in a normal year, so the lower percent change in costs from FY20 to FY21 is expected.
- Expenses in the Income Eligible account increased, as the child count has gone down.

<b>FY2021</b>	<b>Jul-20</b>	<b>Aug-20</b>	<b>Sep-20</b>	<b>Oct-20</b>	<b>Nov-20</b>	<b>Dec-20</b>	<b>Jan-21</b>	<b>Feb-21</b>	<b>Mar-21</b>	<b>Apr-21</b>
FY2021 Number of SA Children	24,814	22,569	22,354	20,600	20,329	20,404	20,327	20,390	20,809	21,094
FY2021 Total Cost of SA Care*	\$20,047,595	\$16,166,409	\$14,700,665	\$14,146,679	\$13,575,161	\$14,871,139	\$13,691,530	\$13,357,847	\$15,818,636	\$15,131,657
FY2021 Number of Billable Days	23	21	22	22	21	23	21	20	23	22
<b>Average Daily Rate Paid</b>	<b>\$35.13</b>	<b>\$34.11</b>	<b>\$29.89</b>	<b>\$31.22</b>	<b>\$31.80</b>	<b>\$31.69</b>	<b>\$32.07</b>	<b>\$32.76</b>	<b>\$33.05</b>	<b>\$32.61</b>
<b>% Change from prior month</b>		<b>-2.89%</b>	<b>-12.37%</b>	<b>4.43%</b>	<b>1.87%</b>	<b>-0.35%</b>	<b>1.22%</b>	<b>2.12%</b>	<b>0.90%</b>	<b>-1.35%</b>
<b>FY2020</b>	<b>Jul-19</b>	<b>Aug-19</b>	<b>Sep-19</b>	<b>Oct-19</b>	<b>Nov-19</b>	<b>Dec-19</b>	<b>Jan-20</b>	<b>Feb-20</b>	<b>Mar-20</b>	<b>Apr-20</b>
FY2020 Number of SA Kids	27,858	28,249	24,893	24,497	24,888	25,481	25,669	26,350	26,376	26,659
FY2020 Cost of SA Care*	\$21,010,042	\$19,049,782	\$11,615,248	\$13,276,879	\$12,660,082	\$14,083,586	\$14,414,119	\$13,500,547	\$14,909,024	\$16,130,022
FY2020 Number of Billable Days	23	22	21	23	21	22	23	20	22	22
FY2020 Average Daily Rate Paid	\$32.79	\$30.65	\$22.22	\$23.56	\$24.22	\$25.12	\$24.41	\$25.62	\$25.69	\$27.50
<b>Comparison</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>March</b>
<b>% Change FY20 to FY21 - # of children</b>	<b>-10.93%</b>	<b>-20.11%</b>	<b>-10.20%</b>	<b>-15.91%</b>	<b>-18.32%</b>	<b>-19.92%</b>	<b>-20.81%</b>	<b>-22.62%</b>	<b>-21.11%</b>	<b>-20.87%</b>
<b>% Change FY20 to FY21 - Daily Rate</b>	<b>7.12%</b>	<b>11.28%</b>	<b>34.53%</b>	<b>32.47%</b>	<b>31.28%</b>	<b>26.13%</b>	<b>31.37%</b>	<b>27.86%</b>	<b>28.64%</b>	<b>18.56%</b>

*Note: To provide an accurate year to year comparison, the FY20 cost was adjusted to include the FY21 rate increases and the FY21 Cost excludes the value of parent fees paid.*



# FY21 Caseload Account Spending Update



- Monthly Decline in Daily Spending Rate

- To compare monthly expenses, EEC uses a daily spending rate to account for different number of days in each month.
- Through the months that enrollment rates continued to decline, the reductions in Daily Spending Levels slowed and even increased in some months.
- The increases in enrollment seen in March and April have also contributed to increased costs.
- All months have been adjusted to account for the implementation of the CBC Rate increase, including the retroactive payment back to July.

# of Days	23	21	22	22	21	23	21	20	23	22
	July Actuals	Aug Actuals	Sept Actuals	Oct Actuals	Nov Actual	Dec Actual	Jan Actual	Feb Actual	Mar Actual	Apr Actual
% change from previous month		-13.14%	-4.11%	-3.48%	-0.50%	-0.79%	-0.84%	1.60%	1.04%	2.23%
3060 Daily	\$ 1,269,181	\$ 1,074,607	\$ 1,057,116	\$ 988,699	\$ 965,556	\$ 940,070	\$ 909,248	\$ 900,041	\$ 881,582	\$ 916,477
<b>3060 Total</b>	<b>\$ 29,191,159</b>	<b>\$ 22,566,748</b>	<b>\$ 23,256,562</b>	<b>\$ 21,751,378</b>	<b>\$ 20,276,668</b>	<b>\$ 21,621,611</b>	<b>\$ 19,094,198</b>	<b>\$ 18,000,819</b>	<b>\$ 20,276,375</b>	<b>\$ 20,162,487</b>
4060 Daily Cost	\$ 1,093,125	\$ 964,972	\$ 911,474	\$ 905,355	\$ 914,155	\$ 920,330	\$ 929,038	\$ 960,520	\$ 991,506	\$ 1,002,273
<b>4060 Total</b>	<b>\$ 25,141,886</b>	<b>\$ 20,264,410</b>	<b>\$ 20,052,420</b>	<b>\$ 19,917,815</b>	<b>\$ 19,197,258</b>	<b>\$ 21,167,582</b>	<b>\$ 19,509,808</b>	<b>\$ 19,210,390</b>	<b>\$ 22,804,635</b>	<b>\$ 22,049,997</b>
Parent Fees Daily	\$ 290,190	\$ 264,420	\$ 240,784	\$ 238,394	\$ 242,021	\$ 244,593	\$ 249,058	\$ 260,253	\$ 269,690	\$ 271,912
<b>Parent Fee Total</b>	<b>\$ 6,674,369</b>	<b>\$ 5,552,830</b>	<b>\$ 5,297,243</b>	<b>\$ 5,244,670</b>	<b>\$ 5,082,441</b>	<b>\$ 5,625,644</b>	<b>\$ 5,230,210</b>	<b>\$ 5,205,055</b>	<b>\$ 6,202,871</b>	<b>\$ 5,982,066</b>
<b>Total Monthly Cost</b>	<b>\$ 61,007,414</b>	<b>\$ 48,383,988</b>	<b>\$ 48,606,224</b>	<b>\$ 46,913,863</b>	<b>\$ 44,556,368</b>	<b>\$ 48,414,837</b>	<b>\$ 43,834,216</b>	<b>\$ 42,416,264</b>	<b>\$ 49,283,881</b>	<b>\$ 48,194,550</b>



## Income Eligible Utilization – Voucher Detail

CCRR	Voucher Allocation	Current Placements	Difference	Percent Utilized	Current Waitlist
Child Care Choices of Boston (Boston)	3,374	2,473	901	73.30%	1,943
Child Care Circuit (Northeast)	6,274	5,258	1,016	83.81%	3,105
Child Care Network (Cape & The Islands)	1,114	855	259	76.75%	484
Child Care Resources (Central)	2,602	2,059	543	79.13%	1,175
Community Care for Kids/QCAP (Metro)	1,743	1,164	579	66.78%	832
New England Farm Workers (Western)	3,092	2,367	725	76.55%	1,974
PACE Child Care Works (Southeast)	3,466	3,025	441	87.28%	1,967
<b>Total:</b>	<b>21,665</b>	<b>17,201</b>	<b>4,464</b>	<b>79.40%</b>	<b>11,480</b>

*Source:*

- Voucher information based on CCRR weekly report for the week ending 5/29/2021.
- Waitlist information based on active children as of 6/2/2021



# Income Eligible Utilization – Contract Detail

Region	Program Type Description	Slots Awarded	Slots Used	Flex Slots Used	Total Slots Used	Slots Open*	Percent Utilized	Current Waitlist
1	GSA - Infant to Pre-School	1,081	652	13	665	416	61.52%	1,130
	GSA - School Age	593	283	25.5	308.5	284.5	52.02%	844
	FCC - All Ages	295	232.5	72	304.5		103.22%	
<b>Region Totals</b>		<b>1,969</b>	<b>1,167.5</b>	<b>110.5</b>	<b>1,278</b>	<b>700.5</b>	<b>64.91%</b>	<b>1,974</b>
2	GSA - Infant to Pre-School	483	393	40	433	50	89.65%	574
	GSA - School Age	349	300.5	6	306.5	42.5	87.82%	303
	FCC - All Ages	562	523.5	138.5	662		117.79%	
<b>Region Totals</b>		<b>1,394</b>	<b>1,217</b>	<b>184.5</b>	<b>1,401.5</b>	<b>92.5</b>	<b>100.54%</b>	<b>877</b>
3	GSA - Infant to Pre-School	1,122	880	54	934	188	83.24%	2,046
	GSA - School Age	901	751.5	33	784.5	116.5	87.07%	1,022
	FCC - All Ages	748	709	234	943		126.07%	
<b>Region Totals</b>		<b>2,771</b>	<b>2,340.5</b>	<b>321</b>	<b>2,661.5</b>	<b>304.5</b>	<b>96.05%</b>	<b>3,068</b>
4	GSA - Infant to Pre-School	601	367.5	19	386.5	214.5	64.31%	978
	GSA - School Age	535	293.5	30	323.5	211.5	60.47%	483
	FCC - All Ages	423	379.5	54	433.5		102.48%	
<b>Region Totals</b>		<b>1,559</b>	<b>1,040.5</b>	<b>103</b>	<b>1,143.5</b>	<b>426</b>	<b>73.35%</b>	<b>1,461</b>
5	GSA - Infant to Pre-School	1,175	710.5	70	780.5	394.5	66.43%	1,481
	GSA - School Age	925	526.5	7	533.5	391.5	57.68%	908
	FCC - All Ages	451	360	0	360	91	79.82%	
<b>Region Totals</b>		<b>2,551</b>	<b>1,597</b>	<b>77</b>	<b>1,674</b>	<b>877</b>	<b>65.62%</b>	<b>2,389</b>
6	GSA - Infant to Pre-School	1,923	925.5	52	977.5	945.5	50.83%	1,114
	GSA - School Age	716	442	44	486	230	67.88%	597
	FCC - All Ages	795	747.5	101.5	849		106.79%	
<b>Region Totals</b>		<b>3,434</b>	<b>2,115</b>	<b>197.5</b>	<b>2,312.5</b>	<b>1,175.5</b>	<b>67.34%</b>	<b>1,711</b>
<i>GSA - Infant to Pre-School Total</i>		<i>6,385</i>	<i>3,928.5</i>	<i>248</i>	<i>4,176.5</i>	<i>2,208.5</i>	<i>65.41%</i>	<i>7,323</i>
<i>GSA - School Age Total</i>		<i>4,019</i>	<i>2,597</i>	<i>145.5</i>	<i>2,742.5</i>	<i>1,276.5</i>	<i>68.24%</i>	<i>4,157</i>
<i>FCC - All Ages Total</i>		<i>3,274</i>	<i>2,952</i>	<i>600</i>	<i>3,552</i>	<i>91</i>	<i>108.49%</i>	
<b>Grand Total</b>		<b>13,678</b>	<b>9,477.5</b>	<b>993.5</b>	<b>10,471</b>	<b>3,576</b>	<b>76.55%</b>	<b>11,480</b>

\* Negative values have been removed from the "Open Slot" column in three regions since they are caused by EEC's current policy of unlimited flex and do not take away from the total number of slots still available.

Source:

- Contract information based on contract utilization on 6/1/2021; Waitlist information based on active children as of 6/2/2021.



## Income Eligible Utilization – Waitlist Detail

Region	Infant	Toddler	Preschool	School Age	Total
Region 1 - Western	271	416	443	844	<b>1,974</b>
Region 2 - Central	148	220	206	303	<b>877</b>
Region 3 - Northeast	702	678	666	1,022	<b>3,068</b>
Region 4 - Metro	234	360	384	483	<b>1,461</b>
Region 5 - Southeast	374	481	626	908	<b>2,389</b>
Region 6 - Boston	382	435	297	597	<b>1,711</b>
<b>Total:</b>	<b>2,111</b>	<b>2,590</b>	<b>2,622</b>	<b>4,157</b>	<b>11,480</b>

Source:

- Waitlist information based on active children as of 6/2/2021

# Income Eligible Utilization - Overview



<b>Income Eligible Child Care</b>	<b>Anticipated Placements</b>	<b>Current Placements</b>	<b>Difference</b>	<b>Percent Utilized</b>
Voucher	21,665	17,201	4,464	79.4%
Contract	13,678	10,471	3,207	76.6%
<b>Total</b>	<b>35,343</b>	<b>27,672</b>	<b>7,671</b>	<b>78.3%</b>

*Source:*

- Voucher information based on CCRR weekly report for week ending 5/29/2021.
- Contract information based on contract utilization on 6/1/2021.